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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	
)	Case No. 22-10964 (MG)
)	
Post-Effective Date Debtors.)	(Jointly Administered)
)	

NOTICE OF COMMENCEMENT OF SECOND PLAN DISTRIBUTION

PLEASE TAKE NOTICE that on January 31, 2024, the Effective Date of the Plan² occurred and the Plan Administrator began to distribute the Liquid Cryptocurrency Distribution Amount in Liquid Cryptocurrency or its Cash equivalent to those creditors eligible to receive Unsecured Claim Distribution Consideration on account of their Claims.

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Post-Effective Date Debtor Celsius Network LLC's principal place of business and the Post-Effective Date Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Capitalized terms used by not defined herein shall have the meaning ascribed to them in the *Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates (Conformed for MiningCo Transaction)* [Docket No. 4289] (as may be amended, modified, and supplemented from time to time, the "Plan") or the *Joint Order (I) Authorizing Supplemental Distribution to Eligible Corporate Creditors, (II) Approving Procedures for Supplemental Corporate Creditor Distributions, and (III) Granting Related Relief* [Docket No. 7747] (the "Corporate Creditor Settlement Order"), as applicable.

PLEASE TAKE FURTHER NOTICE that the Plan provides that the Litigation Administrators or the Plan Administrator may designate additional amounts for distribution on account of Illiquid Recovery Rights, including Litigation Proceeds.

PLEASE TAKE FURTHER NOTICE that on October 31, 2024, the Litigation Administrators filed the *Litigation Administrators' Quarterly Report* [Docket No. 7781] describing their ongoing efforts to, among other things, prosecute, settle, or otherwise resolve any remaining Disputed Claims, the Recovery Causes or Actions, and the Contributed Claims and administer and monetize certain illiquid assets and discussions with the Plan Administrator to make an initial distribution of the proceeds resulting from such efforts to Holders of Claims entitled to Illiquid Recovery Rights under the Plan. The Litigation Administrators have agreed to designate approximately \$127 million, net of holdbacks for fees, costs, and expenses, from the Litigation Recovery Account to the Post-Effective Date Debtors to be distributed to Holders of Claims entitled to receive Illiquid Recovery Rights under the Plan (the "Second Distribution"), with a portion to be held back in certain reserves in accordance with the Plan.

PLEASE TAKE FURTHER NOTICE that the Post-Effective Date Debtors intend to commence the Second Distribution to Holders of eligible Claims in the near term, which will be made pursuant to the Plan to Holders of Allowed Claims entitled to Illiquid Recovery Rights. The remainder of this Notice includes general information regarding such Second Distribution. You are encouraged to review this Notice, the Plan, and the Confirmation Order in their entirety.

Second Distribution

Pursuant to the Plan, creditors with Claims in Class 2 (Retail Borrower Deposit Claims), Class 5 (General Earn Claims), Class 7 (Withhold Claims), Class 8 (Unsecured Loan Claims), and Class 9 (General Unsecured Claims) (collectively, the "Eligible Creditors," and each, an "Eligible Creditor") may be entitled to receive Liquid Cryptocurrency as part of the Second Distribution on account of such Claims. ***Creditors who have Claims in Class 4 (Convenience Claims), or who otherwise are not entitled to Illiquid Recovery Rights, are not eligible to receive the Second Distribution.***

After receiving the funds from the Litigation Administrators, the Post-Effective Date Debtors converted such Cash to BTC for distribution to Eligible Creditors with currently Allowed Claims who are currently scheduled to receive a Liquid Cryptocurrency distribution, including those corporate creditors who elected to receive a Liquid Cryptocurrency distribution pursuant to the Corporate Creditor Settlement Order. For the avoidance of doubt, if a creditor was scheduled to receive a distribution through Coinbase on the Effective Date, or was transitioned from PayPal to Coinbase after the Effective Date, and such creditor did not receive a distribution through Coinbase by November 25, 2024,³ the Post-Effective Date Debtors will continue to hold Liquid Cryptocurrency on account of such creditor's initial and Second Distributions and will convert such Liquid Cryptocurrency to Cash as close as reasonably practicable to the expected Cash

³ The Post-Effective Date Debtors are aware that certain creditors assigned to Coinbase resolved issues preventing them from receiving a distribution on November 9, 2024, the same day the agreement with Coinbase expired. In light of this, Coinbase offered, and the Post-Effective Date Debtors agreed, that Coinbase will make one final distribution attempt to creditors assigned to Coinbase on or around November 25, 2024.

distribution date. The Post-Effective Date Debtors did not convert any Cash received from the Litigation Administrator to ETH to minimize the cost and the administrative burden on the Estates. If an Eligible Creditor is currently scheduled to receive a Cash distribution, including because there is no Distribution Agent reasonably available to make a Liquid Cryptocurrency distribution to such creditor or such creditor elected to receive future distributions in Cash, then the Post-Effective Date Debtors will hold Cash for such creditor's distribution and did not convert such Cash to BTC.

To be clear, after receiving the funds from the Litigation Administrators, the Post-Effective Date Debtors converted to BTC all amounts that, in their business judgment, may be distributed as Liquid Cryptocurrency to Eligible Creditors, including any amounts to be held in reserve for distributions to Eligible Creditors not currently eligible for a distribution under the Plan. The Post-Effective Date Debtors will continue to hold such amounts in BTC until such time as (a) a creditor affirmatively requests to convert its distribution to Cash and the Post-Effective Date Debtors convert such creditor's distribution to Cash as described herein or (b) the Plan Administrator, in the exercise of his fiduciary duties and business judgment, determines it is no longer commercially reasonable to hold Liquid Cryptocurrency in the Disputed and Contingent Claims Reserve; *provided* that the Plan Administrator shall file a notice of his intent to sell the Liquid Cryptocurrency on the docket.

As a result of the Second Distribution, each Eligible Creditor will receive a cumulative distribution in Cash or Liquid Cryptocurrency equal to approximately 60.4% of the value of such creditor's Claims as of the Petition Date. The Post-Effective Date Debtors will determine the amount of BTC to be distributed to Eligible Creditors on account of their Allowed Claims based on a BTC price of \$95,836.23—which is the weighted price at which the Post-Effective Date Debtors purchased BTC using the funds from the Litigation Administrator. For the avoidance of doubt, the Liquid Cryptocurrency received on account of an Eligible Creditor's initial distribution was valued as of January 16, 2024, as set forth in the *Notice of Occurrence of Effective Date of Debtors' Modified Chapter 11 Plan of Reorganization and Commencement of Distributions* [Docket No. 4298]. Because the Post-Effective Date Debtors corrected the application of the Class Claim Settlement to Retail Borrower Deposit Claims, some Eligible Creditors received an initial Liquid Cryptocurrency distribution based on a 57.87% recovery rate whereas others received an initial Liquid Cryptocurrency distribution based on a 57.65% recovery rate. The actual recovery rate for the initial Liquid Cryptocurrency distribution was 57.65%. Those Eligible Creditors who received an initial Liquid Cryptocurrency distribution based on a 57.87% recovery rate received a larger initial distribution than they otherwise should have and will receive a smaller Second Distribution than those Eligible Creditors who received an initial Liquid Cryptocurrency distribution based on a 57.65% recovery rate to account for this difference.

If an Eligible Creditor has already received an initial distribution, the Post-Effective Date Debtors will attempt the Second Distribution through the same Distribution Agent used for the initial distribution to the extent possible. If an Eligible Creditor can no longer receive the Second Distribution through the same Distribution Agent as their prior distribution or need to submit updated distribution information (including new wire transfer or mailing address information), such creditor must notify the Post-Effective Date Debtors as soon as possible by creating a Customer Care Ticket at <https://stretto-celsius.freshdesk.com/support/tickets/new> by selecting the most relevant items from each drop-down menu.

If an Eligible Creditor has not yet successfully received its initial distribution on account of its Allowed Claims, the Post-Effective Date Debtors will continue to attempt to make the initial distribution to such creditor in addition to the Second Distribution. The Post-Effective Date Debtors also encourage such creditors who have not yet successfully received a distribution to create a Customer Care Ticket at <https://stretto-celsius.freshdesk.com/support/tickets/new> by selecting the most relevant items from each drop-down menu. The Post-Effective Date Debtors will work with such creditors to resolve issues related to their initial distribution and their Second Distribution, including transitioning the creditor's distribution to an alternative Distribution Agent if needed. ***If an Eligible Creditor is unable to receive Liquid Cryptocurrency through its assigned Distribution Agent for any reason, its distribution may be delayed. If it is not possible for the Post-Effective Date Debtors to find an alternate solution to complete such creditor's Liquid Cryptocurrency distribution, such creditor will receive its distribution in Cash.***

Similarly to the prior distribution, Eligible Creditors assigned to receive their Second Distribution in Liquid Cryptocurrency from PayPal or Venmo will receive an email communication from the Post-Effective Date Debtors with a code for collecting their Second Distribution through a "Creditor Claim Form." Inputting the Claim code on the Creditor Claim Form will initiate the Eligible Creditor's Second Distribution, which will be completed through their PayPal or Venmo account. Eligible Creditors assigned to receive their Second Distribution in Liquid Cryptocurrency from Coinbase will receive an email communication from the Post-Effective Date Debtors with an update on whether a distribution was made successfully, and next steps to take if it was not delivered successfully. In order to receive a Second Distribution from Coinbase, an Eligible Creditor (other than a corporate creditor) must have already received an initial Liquid Cryptocurrency distribution through Coinbase prior to the Second Distribution.

Eligible Corporate Creditors with Allowed Claims entitled to Illiquid Recovery Rights under the Plan will receive the Second Distribution either in Cash or Liquid Cryptocurrency based on the election such corporate creditor made on the Election Form submitted in connection with the settlement described in the Corporate Creditor Settlement Order. If an Eligible Corporate Creditor did not submit an Election Form by the November 4, 2024 deadline, or if it submitted an incomplete Election Form, such corporate creditor will receive a Cash distribution. ***Corporate creditors with Convenience Class Claims will not receive the Second Distribution.*** For the avoidance of doubt, the Second Distribution outlined herein is distinct from the distribution described in the Corporate Creditor Settlement Order and will be made to Eligible Corporate Creditors in addition thereto. Corporate creditors should refer to the *Notice of Commencement of Supplemental Corporate Creditor Distributions* [Docket No.7854] for more information regarding distributions under the settlement described in the Corporate Creditor Settlement Order.

As a reminder, all Eligible Creditors must have completed and passed AML/KYC compliance checks for their Celsius Account and may be required to register and/or complete additional onboarding with their assigned Distribution Agent, which may require providing any AML/KYC Compliance Information requested by the Distribution Agent. An Eligible Creditor will be notified via email if personal information updates are required before it can receive your distribution. Information regarding the AML/KYC Compliance Information required by each Distribution Agent will be provided by that Distribution Agent. ***If any Eligible Creditor signed up through a third party or utilized iCloud Private Relay to login to the Celsius app and has not received e-mails or other communications from the Post-Effective Date Debtors, their account***

may be missing necessary information. If you have not received communications from the Post-Effective Date Debtors and created a Celsius account through a third party or logged into Celsius using an iCloud Private Relay, please create a Customer Care Ticket at <https://stretto-celsius.freshdesk.com/support/tickets/new>, select the most relevant items from each drop-down menu, and the Post-Effective Date Debtors will work with you to help you resolve your issue.

Except as otherwise provided for in the Plan, distributions to Eligible Creditors with Allowed Claims or Allowed Interests shall be made to the Holder of record as of the Distribution Record Date, which is the Confirmation Date (*i.e.*, November 9, 2023). *See* Plan, Art. VI.F. If a Claim was transferred twenty or fewer days before the Distribution Record Date, distributions will be made to the transferee of such Claim only to the extent practicable, and in any event, only if the relevant Claim transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor. The Post-Effective Date Debtors do not have any obligation to recognize any transfer of Claims or Interests occurring on or after the Distribution Record Date. *See id.*

The Post-Effective Date Debtors will continue to provide further information regarding distributions to creditors through the Post-Effective Date Debtors' Knowledge Base, which can be accessed at <https://celsiusdistribution.stretto.com/support/solutions>. If you have any additional questions not otherwise addressed in this Notice or the Knowledge Base, please open a Customer Care Ticket at <https://stretto-celsius.freshdesk.com/support/tickets/new>. Please note that submitting multiple support inquiries and/or emailing the same question may cause a response to be further delayed.

Holders Not Currently Eligible to Receive a Distribution

Certain creditors are, for one reason or another, not yet eligible for distributions under the Plan, including, without limitation, because there is a litigation that one of the Litigation Administrators has or could bring against the eligible claimant (such as Withdrawal Preference Exposure, equitable subordination, or other litigation) or the creditor opted out of the Class Claim Settlement when voting on the Plan. The Post-Effective Date Debtors cannot make these distributions until such time as (a) the Litigation Administrator resolves the contingency and (b) the Litigation Administrator directs the Plan Administrator that distributions may be made to this creditor.

If a creditor's Claim is not currently Allowed and such creditor was either (a) scheduled to receive a Liquid Cryptocurrency distribution as of the Effective Date or (b) an Eligible Corporate Creditor (as defined in the Corporate Creditor Settlement Order), then the Post-Effective Date Debtors will continue to hold Liquid Cryptocurrency on account of such creditor's Claims that are not currently Allowed. If a creditor's Claim is not currently Allowed and such creditor was scheduled, as of the Effective Date, to receive a distribution in Cash, then the Post-Effective Date Debtors will continue to hold Cash on account of such creditor's Claims that are not currently Allowed and will not convert such creditor's allocation on account of the Second Distribution to BTC.

Once the applicable outstanding litigation is resolved, the applicable Claim is liquidated, or the Litigation Administrator otherwise notifies the Plan Administrator that certain Claims are

Allowed and eligible for distribution, the Post-Effective Date Debtors expect to attempt these distributions. Because the Post-Effective Date Debtors are processing distributions in batches, there may be some delay between when a Claim becomes Allowed and when a distribution is attempted.

If the Post-Effective Date Debtors determine in their sole discretion that regulatory restrictions prohibit the distribution of Liquid Cryptocurrency or Cash (US Dollars) to a creditor or such creditor's location (*e.g.*, due to sanctions), and/or no Distribution Agent is able to distribute Liquid Cryptocurrency or Cash to a creditor or such creditor's location, such creditor will not receive its distribution.

Phishing Attempts

The Post-Effective Date Debtors are aware of continued phishing attempts purporting to be related to these Chapter 11 Cases. Please proceed with caution and review the Post-Effective Date Debtors' Recommendations for Phishing Emails, attached hereto as **Exhibit A**.

Neither the Post-Effective Date Debtors nor their advisors will ***ever*** contact you by telephone call, social media, or text message to request account information or other personal information absent an (a) order by the Court or (b) on-the-record instruction from the Court. ***Please note that in connection with the KYC process noted above, the Post-Effective Date Debtors or Stretto will ONLY request an account holder's personally identifiable information and financial information through (i) an email from the domain "@celsius.network" (e.g., complianceteam@celsius.network), or (ii) an email from the domain "@stretto.com" (e.g., celsiusdistributions@stretto.com).*** In addition, the Post-Effective Date Debtors will not ask you to connect your wallet through a third-party to receive your distribution. Specifically, many phishing attempts request creditors to link an ERC-20 compatible non-custodial wallet to complete such creditor's distribution.

If you see any suspicious website domains or receive any uncorroborated email, text message, or telephone call purporting to be from the Post-Effective Date Debtors or their advisors claiming that withdrawals are available or requesting account information, personal information, or payment, we request that you please ***immediately*** contact the Debtors' counsel at CelsiusCreditorQuestions@kirkland.com or the Post-Effective Date Debtors' claims agent at CelsiusInquiries@stretto.com.

Copies of the Phishing Notices, the Disclosure Statement, Plan, the Confirmation Order, and other pleadings filed in these Chapter 11 Cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/Celsius>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

New York, New York
Dated: November 27, 2024

/s/ Joshua A. Sussberg

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Counsel to the Post-Effective Date Debtors

Exhibit A

Post-Effective Date Debtors'
Recommendations for Phishing Emails

**Post-Effective Date Debtors’
Recommendations for Phishing Emails**

Be aware of the sender’s email address and URLs contained in their messages. Phishing emails will exploit your trust, expectations, and complacency with interacting with seemingly trusted sources. The first step is always to verify the Email Sender’s Identity, and without clicking on the links in the email, confirm where they are directed to.

We recommend users proactively “whitelist” official emails by creating email filters/tags or automation that will only tag Stretto or Celsius emails from legitimate sources.

Review the below list of official websites and email addresses. You should disregard anything not coming from these email addresses or proceed with extreme caution.

Legitimate URLs contained in messages, and links contained:

- celsius.network
- stretto.com
- claimsportal.celsius.network
- hello@celsius.network
- app@celsius.network
- claims@distributions.celsius.network
- complianceteam@celsius.network
- do-not-reply@updates.celsius.network
- do-not-reply@claimsportal.celsius.network
- no-reply@cases-cr.stretto-services.com
- celsiusdistribution@stretto.com
- cases.stretto.com
- https://celsiusnetwork.medium.com/
- https://cases.stretto.com/Celsius
- ionicdigital@odysseytrust.com
- do.not.reply@hyperwallet.com
- CelsiusCreditorAnswers@kirkland.com
- CelsiusCreditorQuestions@kirkland.com
- CelsiusLitigationAdmin@m3-partners.com

Note the specific punctuations, and don’t be tricked by similar but differently worded or punctuated URLs using dashes instead of periods. Remember some URL and website addresses may seem similar to the above, but you must ensure they are any of the ones shown above.

Check the sender’s email address and where the email links will take you. Examine the sender’s email address carefully. Phishers often use similar-looking addresses to mimic legitimate ones. Look for misspellings, extra characters, or unusual domain names. Verify email content and formatting.

Be skeptical of emails with poor grammar, spelling errors, or unusual formatting. Legitimate organizations usually maintain a professional standard in their communication.

Hover over links. If on your computer, hover your mouse over any links in the email to preview the destination URL. Ensure it matches the expected website and is not a disguised link pointing to a phishing site.

Check for generic greetings. Phishing emails often use generic greetings like “Dear Customer” instead of addressing you by name. Legitimate organizations typically use your name in their communications.

Beware of urgent or threatening language. Phishing emails often create a sense of urgency or use threatening language to manipulate recipients into taking immediate action. Be cautious if an email demands urgent attention.

Verify unexpected attachments. Avoid opening unexpected attachments, especially if they come from unknown or unexpected sources. Malicious attachments may contain malware or phishing links.

Do not open these links for the first time on a mobile phone, as a mobile phone does not allow you to hover over links and ensure the stated link and the hyperlink match.

Examine the email signature. Legitimate emails from companies usually include a consistent and professional email signature. Lack of contact information or inconsistencies can be red flags.

Enable two-factor authentication (2FA) everywhere possible. Implementing 2FA adds an extra layer of security, making it more challenging for attackers to gain unauthorized access even if they obtain your credentials through phishing.

Use email security features. Many email providers offer built-in security features. Enable features like spam filters and phishing detection to enhance your email security.

Educate yourself and stay informed. Stay informed about the latest phishing techniques and trends. Regularly update yourself on common phishing tactics to recognize new and sophisticated attempts. Review the Celsius Knowledge Base site, as well as the official docket on Stretto to keep yourself up to date.

<https://celsiusdistribution.stretto.com/support/solutions>

<https://cases.stretto.com/Celsius>

<https://twitter.com/celsiusnetwork>

<https://x.com/celsiusnetwork>

Verify unexpected requests. If an email requests sensitive information or actions that seem unusual, independently verify the request by contacting the organization through official channels before providing any personal information.

Check for HTTPS. Verify that the website you are directed to uses HTTPS. While this alone does not guarantee legitimacy, it adds an additional layer of security. When in doubt, verify the SSL certificate used.

Stay cautious with pop-ups and forms. Be cautious if an email or website opens unexpected pop-ups or prompts you to enter sensitive information in forms. Legitimate organizations typically handle such interactions securely, not over a single-click email.

Never connect your Crypto Wallet anywhere, even if it looks like a Celsius or Stretto Website. If you follow the above tips, proceed with caution, and stay up to date with official site updates, you will be more secure in these trying times.